

<div> <div>Exhibit Name: Premium Calculation</div> <div>Exhibit Number: P11-7, Plan 51</div> <div>Record Name: Acreage</div> <div>Record Code: P11</div> </div> <div> <div>Reinsurance Year: 2011</div> <div>Version: DRAFT</div> <div>Release Date: 3/10/2011</div> </div>						
Insurance Plan Code		51 Fixed Dollar Amount of Insurance				
Commodity Code		0045 Chile Peppers				
Calculations	Field Name	Record Number	Field Number	Field Format	Field Rounding	Rules
Section 1: Liability Calculation						
Dollar Amount of Insurance = $\frac{\text{Reference Maximum Dollar Amount} * \text{Coverage Level Percent}}{\text{Percent}}$	Dollar Amount of Insurance	P11	99	99999999.99	Round to whole number	Dollar Amount of Insurance equals Catastrophic Dollar Amount, ADM Price "A00810", when Coverage Type equals Catastrophic. Dollar Amount of Insurance equals Maximum Dollar Amount, ADM Price "A00810", when Coverage Level Percent = 0.75. Dollar Amount of Insurance equals Minimum Dollar Amount, ADM Price "A00810", when Coverage Level Percent = 0.50 and Coverage Type equals Additional. Dollar Amount of Insurance equals Round(Reference Maximum Dollar Amount * Coverage Level Percent, 0) if Coverage Level Percent <> 0.50 and 0.75.
	Reference Maximum Dollar Amount	ADM		99999.9999	None	Edit With ADM Price, "A00810".
	Coverage Level Percent	P14	34	9.9999	None	
Acre Guarantee Quantity = $\frac{\text{Dollar Amount of Insurance Fixed Coverage Amount} * \text{Guarantee Adjustment Factor}}{\text{Guarantee Adjustment Factor}}$	Acre Guarantee Quantity	P11	100	99999999.99	Round to whole number 2-decimal	
	Fixed Coverage Amount	ADM		99999	None	Edit with ADM Price, "A00810".
	Guarantee Adjustment Factor	P11	75	0.999	None	Edit with the Guarantee Adjustment ICE, "D00068". Reduction ADM, "A00020".
Total Guarantee Amount = Acre Guarantee Quantity * Reported Acreage	Total Guarantee Amount	P11	97	99999999.99	Round to whole number	
	Reported Acreage	P11	52	999999.99	None	Reported Acreage must equal the sum of all Land, P27, Reported Acreage.
Liability Amount = Total Guarantee Amount * Insured Share Percent	Liability Amount	P11	88	9999999999	Round to whole number	
	Insured Share Percent	P11	47	9.999	None	
Section 2: Base Premium Rate Calculation						
Base Premium Rate = $\frac{\text{When Rate Method Code equals Fixed Rate, "F":}}{\text{Sub County Rate} * \text{Rate Differential Factor}}$ $\frac{\text{When Rate Method Code equals Additive, "A":}}{(\text{Sub County Rate} + \text{Base Rate}) * \text{Rate Differential Factor}}$ $\frac{\text{When Rate Method Code equals Multiplicative, "M":}}{\text{Sub County Rate} * \text{Base Rate} * \text{Rate Differential Factor}}$	When Rate Method Code equals Fixed Rate, "F": Sub County Rate * Rate Differential Factor	Base Premium Rate	Internal	999999.99999999	Round to 8 decimals.	
	When Rate Method Code equals Additive, "A": (Sub County Rate + Base Rate) * Rate Differential Factor	Sub County Rate	ADM	9.9999	None	Edit with ADM Sub County Rate, "A01050".
	When Rate Method Code equals Multiplicative, "M": Sub County Rate * Base Rate * Rate Differential Factor	Base Rate	ADM	999.9999	None	Edit with ADM Base Rate, "A01010".

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Calculations		Field Name	Record Number	Field Number	Field Format	Field Rounding
<div>Otherwise:</div> <div>Base Rate * Rate Differential Factor</div>		Rate Differential Factor	ADM		9.99999999	None
Edit with ADM Coverage Level Differential, "A01040".						
Section 3: Optional Coverage Calculation						
<div> <div>Additive Optional Rate Adjustment Factor</div> <div> <div>When Rate Method Code is Additive, "A":</div> $= \sum \text{Option Rate} * \text{Rate Differential Factor}$ </div> </div>		Additive Optional Rate Adjustment Factor	Internal		999999.9999	Round to 4 decimals.
		Option Rate	ADM		99999.9999	None
		Rate Differential Factor	ADM		9.99999999	None
Edit with ADM Coverage Level Differential, "A01040".						
<div> <div>Multiplicative Optional Rate Adjustment Factor</div> <div> <div>When Rate Method Code is Multiplicative, "M":</div> $= \sum \text{Option Rate1} * \text{Option Rate2} * \text{Option Rate3}...$ </div> </div>		Multiplicative Optional Rate Adjustment Factor	Internal		999999.9999	Round to 4 decimals.
		Option Rate	ADM		9.9999	None
Edit with ADM Option Rate, "A01060".						
Section 4: Premium Rate Calculation						The Premium Rate for ALL Unit Structures should be capped at .999 in the event various adjustments to the Base Premium Rate would cause it to exceed 1.0.
<div> <div>Premium Rate</div> <div> <div>Base Premium Rate * Unit Structure Discount Factor *</div> <div>= Multiplicative Optional Rate Adjustment Factor + Additive Optional Rate Adjustment Factor</div> </div> </div>		Premium Rate	Internal		9999999999.99999999	Round to 8 decimals.
		Unit Structure Discount Factor	ADM		9.999	None
<div> <div>Edit with ADM Unit Discount, "A01090".</div> <div>When Unit Structure Code equals "OU", then Unit Structure Discount Factor equals Optional Unit Discount Factor.</div> <div>When Unit Structure Code equals "BU", then Unit Structure Discount Factor equals Basic Unit Discount Factor.</div> </div>						

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Section 5: Total Premium, Subsidy, and Producer Premium Calculation						
Preliminary Total Premium Amount $\text{Preliminary Total Premium Amount} = \text{Liability Amount} * \text{Base Premium Rate} * \text{Rate-Differential-Factor} * \text{Unit-Structure-Discount-Factor} * \text{Sub-County-Rate} * \text{Option-Rate}$	Preliminary Total Premium Amount	Internal		9999999999	Round to whole number	
	Base-Rate	ADM		999.99	None	Edit with ADM Base Rate, "A01010".
	Rate-Differential-Factor	ADM		9.99999999	None	Edit with ADM Coverage Level Differential, "A01040".
	Unit-Structure-Discount-Factor	ADM		9.999	None	Edit with ADM Unit Discount, "A01090". When Unit Structure Code equals "OU", then Unit Structure Discount Factor equals Optional Unit Discount Factor. When Unit Structure Code equals "BU", then Unit Structure Discount Factor equals Basic Unit Discount Factor. When Unit Structure Code equals "EU", then Unit Structure Discount Factor equals Enterprise Unit Discount Factor.
	Sub-County-Rate	ADM		9.9999	None	Edit with ADM Sub-County Rate, "A01050".
	Option-Rate	ADM		9.9999	None	Edit with ADM Option Rate, "A01060".
Total Premium Amount = Preliminary Total Premium Amount * Multiple Commodity Adjustment Factor	Total Premium Amount	P11	89	9999999999	Round to whole number	
	Multiple Commodity Adjustment Factor	ICE		9999.999	None	Edit with ICE Multiple Cropping, "D00063".
Subsidy Amount = Total Premium Amount * Subsidy Percent	Subsidy Amount	P11	87	9999999999	Round to whole number	
	Subsidy Percent	ADM		9.999	None	Edit with ADM Subsidy Percent, "A00070".
Producer Premium Amount = Total Premium Amount - Subsidy Amount	Producer Premium Amount	P11	90	9999999999	Round to whole number	